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Exploring the Role of Augmented Reality in Shaping Generation Z's Buying Behavior: A Study in Hyderabad and its Vicinity

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ABSTRACT:

The change in technology over a decade has influenced the online purchasing behaviour of consumers. Augmented reality (AR) is the technology which is currently emerging in the market helping consumers' in purchasing the product by trying it on virtually. The emerging companies are using this technology to attract consumers to their website by solving the issues of how the product would look in person by using 3D visualization effects, virtual try-on, and by providing real world interactive experiences, etc. As we all know, Generation Z dominates the sector of online shopping by being aware and attuned to trends happening in real-time. So they are the ideal target for majority brands which if influenced could mean the high turnover and profit for them. For this study, a structured questionnaire was designed through which 142 responses were collected from the GEN Z. It is found that people are aware of Augmented Reality but find it less interactive. So, it is suggested that brands should make this technology more interactive and accurate so that reliable results are generated. This will help brands to generate more profits and boost up their sales along with improved brand perception and goodwill.

KEYWORDS *Augmented Reality, AR, Consumer, influence, impact and purchasing behavior.*

INTRODUCTION

In recent years, technological advancements have completely changed the dynamics of the way consumers interact with brands. One such development would be Augmented Reality (AR), which works by overlaying various digital elements in the real world and enhancing it. It helps make the entire shopping process immersive and interactive providing consumers with a chance to try products without making a purchase. The introduction of AR makes the entire process of shopping online more fun, interactive and convenient. It gives consumers certainty about how the product will look in person once ordered online, as they can try it virtually with just a single click.

AR has been developed and used in a wide range of industries like retail, e-commerce, architecture, healthcare, entertainment, medical, advertisement and much more. In the business and ecommerce/shopping sector AR has a variety of applications such as furniture and home decor placements, 3D try on for glasses, virtual try on for clothing and cosmetics. If developed accurately these features can help make shopping online an extremely interactive and customer facing experience.

As the digital economy grows, Generation Z, basically people born in the late 1990's and early 2000's are the major target of all retail and e-commerce brands. They are the major consumers of online shopping sites, as they are highly aware of all the trends as they emerge. They are one of the most aware and tech savvy generations of all times when it comes to technology and because of that they expect brands to come up with more technological advancements that help enhance and make the shopping process more interesting and interactive.

As AR continues to evolve, it is crucial to understand its impact and influence on the GenZ consumers buying pattern. This study seeks to tell us how the use of AR helps in creating a better brand image, building trust and boosting sales. The study will also help the businesses in understanding the importance of adopting AR in their marketing strategy so as to tailor their marketing strategies accordingly which will help improve consumer experience and build brand credibility.

STATEMENT OF THE PROBLEM

With the advancement of online shopping and the use of technology to enhance consumers' shopping experience through immersive product visualization - Augmented Reality(AR) has emerged as a transformative tool in this sector. AR is gaining popularity all around the world and its use and application in the online and offline markets of Hyderabad are still unexplored.

The extent to which it influences the buying decision, increases repeats and recommendations, improves brand image is still unclear and all these are to be studied in the local context.

The study aims to investigate the Influence of Augmented Reality on the Purchasing Behavior in Hyderabad, assessing and analyzing whether AR enhances the brand image, reduces return rates, compels the consumer to buy the product and improves overall consumer satisfaction. The findings derived will provide valuable insights for businesses in Hyderabad wanting to delve into AR for improving their marketing strategy.

OBJECTIVES OF THE STUDY:

- 1)To recognize the influence of augmented reality on the purchasing decision of Generation Z consumers.
- 2)To understand the perception of consumers towards augmented reality.
- 3)To determine the relationship between augmented reality and Customer satisfaction.

NEED OF THE STUDY

This study will help us understand if AR influences the buying behavior of Generation Z consumers. It will also provide inputs and suggestions regarding the usage and implementation of AR in the Indian market of Hyderabad which can improve the market positioning, customer satisfaction, boost sales and brand image of the business.

RESEARCH METHODOLOGY

Primary Data is collected for the purpose of research through a structured questionnaire designed after forming the objectives of the research. In order to get accurate information, data was gathered from respondents who had previously used augmented reality for the online buying process and understood its concept. Convenience sampling, a non-probability sampling method where data is collected from readily available respondents, was used for this research study. Google forms were used for the purpose of data collection. A total of 142 responses were collected by respondents all over Hyderabad. The participants accessed and answered the questions using a likert scale ranging from strongly agree to strongly disagree. Secondary data was collected through existing papers using primary data and various web sources. The analysis was done through percentages & chi square test.

SCOPE OF THE STUDY

The scope of the study is limited to understanding the influence of Augmented Reality in the purchasing decision of consumers and to understand the customer satisfaction derived when using Augmented Reality by Gen Z consumers in Hyderabad.

LIMITATIONS OF THE STUDY

1. The study is focused only on Hyderabad.
2. The study may not fully represent all demographics due to its narrow scope.
3. Time constraints may have impacted the findings.
4. The level of influence of AR features for consumers may change overtime with the change in expectations and growth of technology.
5. The study might not include enough people to represent all consumers.

REVIEW OF LITERATURE

Samarth Singh,(2023) Impact of Augmented Reality (AR) on Consumer Buying Behavior: Indian Consumer Market. This study aims to investigate the impact of augmented reality in the buying behaviour by studying and analyzing viewpoints of different consumers in the Indian market. Primary data was collected through a questionnaire which was filled by 100 AR users who participated in online purchases. The findings show that AR has a significant impact on the buying decisions of consumers in India. Clothing and accessories were found to be the most shopped/bought items through AR. It is suggested that Indian businesses must introduce and use AR technology in their business addressing its rising trend in the market.

Dr. Ranjith Somasundaran Chakkambath et al.,(2024) A study on the Influence of Augmented Reality(AR) in enhancing Consumer Behaviour and Decision Making. The study aims to investigate the influence of augmented reality on the consumers decision making. Data was collected from 146 respondents through a structured questionnaire. The findings suggest that while AR technology can influence consumer behaviour, it also poses risks of encouraging unnecessary purchases and infringing on personal privacy.

Yogita Rajput et al.,(2023) Impact of Augmented Reality on Consumers' Behavioral Intention to Use Mobile Apps in Retail.The study aims to investigate the influence of mobile augmented reality applications on consumers' intentions to acquire and employ associated technologies. Primary was collected through a structured questionnaire from 160 respondents aged between 18-35. The results demonstrated that there exists a positive relationship between

AR and behavioural objectives of consumers. The findings also suggest that businesses must understand the growth and convenience of AR for consumers but must take advantage of that by developing AR to highlight the features of their products.

Mr. R. Ramakrishnan et al.,(2024) The role of Augmented Reality in Retail:Enhancing Customer Experiences and Driving Sales.The study aims to provide retailers and businesses with the relevant data on how AR impacts consumer behavior while shopping. Data is collected through a structured survey and a detailed analysis of prevailing literature. The results demonstrated that AR increases the likelihood of making a purchase on the part of the buyer by increasing consumer experience, happiness and engagement. Retailers may get a competitive edge in the market and unleash new potentials for consumer engagement by leveraging augmented reality technology successfully.

Pooja Misra et al.,(2017) Augmented Reality Impact on Retailing in India: An Analysis.The study aims to investigate the factors which play an important role in the success and effectiveness of AR in retail and the influence of the buying behavior of a consumer in Delhi and NCR in the age group of 20-35 years. Data was collected through a structured questionnaire from 302 respondents and prevailing literature. It is the need of the hour to start investing in AR technologies to positively influence and satisfy the ever changing consumer buying behavior and to compete with the foreign brands which will be bringing their technologies in Indian markets.

Twinkle Trivedi (2023) Generation Z Inclined Toward Immersive Shopping Experiences: AR Virtual Try-On in Online Retail in India.The study aims to investigate the factors influencing the acceptance and perception of Augmented Reality (AR) among Generation Z (Gen Z) consumers in the context of online retail. Data was collected through a structured questionnaire of 300 Genz respondents. The study demonstrate that Gen Z consumers' perceptions of the utility, enjoyment, and ease of use associated with VTO technology significantly impact their online shopping experience.

Kanishka Pathak et al.,(2023) Exploring the role of augmented reality in purchase intention: Through flow and immersive experience. The study aims to investigate the purchase intention of consumers engaged in AR.The findings suggested businesses to capitalize on AR as a Service and harbor increased profitability with high customer satisfaction.

Hypothesis of the study:

H₁: There is significant association between Gender and the use of AR in shopping among the respondents.

H₀: There is no significant association between gender and the use of augmented reality in shopping among the respondents.

Chi-square statistic:1.879

p-value:0.1704

Degrees of freedom:1

There is no statistically significant association between gender and AR use ($p \geq 0.05$).

Interpretation:

The p-value is greater than 0.05, which means there is no statistically significant association between gender and the use of AR in shopping among the respondents. In other words, based on this data, gender does not appear to influence whether someone has used AR while shopping.

FINDINGS

- Through the questionnaire we found that the majority of the respondents amounting to 69.4% are aware of Augmented Reality and around 30.6% are not aware of Augmented Reality.
- According to the study, it is found that around 54.9% have used the feature of product visualization.
- According to the research, they partially agree when it comes to AR being engaging in the process of shopping and on the fact that they trust products more when visualized through AR.
- The majority of the respondents partially disagree when it comes to time saving quality of AR while shopping and somewhat agree that AR reduces the uncertainty about product or fit.

SUGGESTIONS:

- There must be awareness of augmented reality among all age groups, since only the Genz is widely aware of it. So, appropriate steps must be taken in order to create awareness among everyone irrespective of age and gender through interactive tutorials and demos.
- The accuracy of the various AR features is questionable and sometimes inaccurate especially when it comes to makeup try on features. So, brands must work on making the features more accurate.
- Brands must ensure that AR features are compatible in all devices and run smoothly with fast loading which provides a seamless experience.

- The government must introduce schemes and collaborate with tech startups in order to integrate AR in all industries along with retail and e-commerce.
- Local businesses in Hyderabad and in India must start leveraging the use of AR in order to compete with international brands.

CONCLUSIONS:

This study mainly focuses on the influence of augmented reality on Gen Z consumers' purchasing behavior. Through this study it can be highlighted that most of the people are aware of augmented reality and mainly females are using it. The brands should take initiative to advertise this technology and make people aware about the pros and cons of AR. The respondents partially agreed when asked about how interactive AR is and whether it is influencing their buying decision or not. Brands must take initiative to make the features more engaging and interactive so that people can have memorable experiences. The features should be inculcated properly so that accurate results can be spawned within a second. If this technology is used properly it can boost the sales leading to huge profits for the brands and the brand loyalty will also increase by increasing the consumer base.

The Indian brands should incorporate this technology in their apps and the government must collaborate with the start-ups to help them grow their business by using the latest technology like AR and VR. This will help our country to grow collectively in technological aspects. Since, this feature is widely used in the cosmetic industry; it should also be used and developed properly in other industries as well.

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